Congressman Dennis Kucinich (D-OH), chairman of the Domestic Policy Subcommittee of the House Oversight and Government Reform Committee, sent a letter today to Defense Finance and Accounting Service (DFAS) director, Ms. Theresa McKay, calling upon DFAS to fulfill its promise to recalculate thousands of potentially erred retirement payments to veterans with severe disabilities. The letter was sent after Subcommittee staff analyzed DFAS' internal audits of the VA Retro program and found that large numbers of veterans fell victim to inaccurate computations.

"On the basis of your audit's preliminary findings, my staff calculates that large numbers of veterans fell victim to Lockheed's inaccurate computations: Between 1,782 and 1,985 severely disabled veterans were wrongly denied a VA Retro payment, while as many as 2,514 such veterans received inaccurate payments in excess of \$2,500," Kucinich wrote in the letter.

"Errors of that magnitude are disgraceful. Each and every one of those veterans devoted his career to the Armed Services of the United States and received his disabling injuries in combat or military service. Over the course of its cost-plus contract with the Government, Lockheed miscomputed and mishandled the VA Retro pay awards of the equivalent of a whole Combat Brigade," Kucinich added.

Congress enacted new retroactive benefits for retired disabled veterans whose disabilities were linked to combat or military service in 2002 and 2004. DFAS' contractor, Lockheed Martin, fell seriously behind in making those payments, with delays of up to five and one-half years. In a report (below) released on July 15th, 2008, Subcommittee majority staff found that that poor contractor performance, government mismanagement and the erosion of quality controls denied thousands of disabled veterans timely and accurate retroactive retired pay awards. That report also found that at least 28,283 veterans were denied pay awards based on determinations made wholly without quality assurance and 8,763 veterans died before receiving retroactive payment. At a Subcommittee hearing on July 16th, former DFAS director, Mr. Zack Gaddy, committed to review the accuracy of all denials of eligibility issued since the start of the VA Retro program and the accuracy payments issued during the period after quality controls were suspended.

"DFAS' internal review utilized random sampling of "No Pay Due" determinations and payments made in excess of \$2,500 to find an unacceptably high degree of error in both categories of computation. In light of these findings, I must insist that DFAS fulfill the promise made by your predecessor, Mr. Zack Gaddy, at our hearing on July 16, 2008 and in subsequent meetings, to

conduct, as expeditiously as possible, a 100% recalculation of all No Pay Due determinations and payments in excess of \$2,500 made after suspension of government quality assurance," Kucinich wrote.

The full text of the letter and a follow-up letter is attached.

Documents and Links

- Kucinich Letter to DFAS Director
- "Die or Give Up Trying" Executive Summary
- "Die or Give Up Trying" Retroactive Retired Pay Awards
- "Die or Give Up Trying" Documents Cited 1
- "Die or Give Up Trying" Documents Cited 2
- "Die or Give Up Trying" Documents Cited 3
- Kucinich Follow Up Letter to DFAS Director